

## § 32.7599

- (3) Assessments for public improvements past due;
  - (4) Bond coupons, matured and unpaid;
  - (5) Claims and judgments;
  - (6) Customers' deposits;
  - (7) Funded debt mature, with respect to which a definite agreement as to extension has not been made;
  - (8) Notes payable on demand or maturing one year or less from date of issue;
  - (9) Open accounts;
  - (10) Tax assessments, past due; and
  - (11) Discount, premium, and issuance expense of notes maturing one year or less from date of issue.
- (c) Interest payable on notes or other evidences of indebtedness maturing serially shall be charged to Account 7510, Interest of Funded Debt, if any portion of the obligation matures more than one year from date of issue.

### § 32.7599 Content of accounts.

These accounts are intended to segregate the effects of events or transactions that are extraordinary. Extraordinary events and transactions are distinguished by both their unusual nature and by the infrequency of their occurrence, taking into account the environment in which the company operates. These accounts shall also include the related income tax effect of the extraordinary items.

### § 32.7600 Extraordinary items.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 7610 through 7640. Class B telephone companies shall use this account for transactions of the type and character required of Class A companies in Accounts 7610 through 7640.

### § 32.7610 Extraordinary income credits.

This account shall be credited with nontypical, noncustomary and infrequently recurring gains which would significantly distort the current year's income computed before such extraordinary items, if reported other than as extraordinary items. Income tax relating to the amounts recorded in this account shall be recorded in Account

## 47 CFR Ch. I (10–1–00 Edition)

7630, Current Income Tax Effect for Extraordinary Items—Net, and Account 7640, Provision for Deferred Income Tax Effect of Extraordinary Items—Net.

### § 32.7620 Extraordinary income charges.

This account shall be debited with nontypical, noncustomary and infrequently recurring losses which would significantly distort the current year's income computed before such extraordinary items, if reported other than as extraordinary items. Income tax relating to the amounts recorded in this account shall be recorded in Account 7630, Current Income Tax Effect for Extraordinary Items—Net, and Account 7640, Provision for Deferred Income Tax Effect of Extraordinary Items—Net.

[54 FR 22758, May 26, 1989]

### § 32.7630 Current income tax effect of extraordinary items—net.

This account shall be charged or credited and Account 4070, Income Taxes—Accrued, shall be credited or charged for all current income tax effects (Federal, state and local) of items included in Accounts 7610, Extraordinary Income Credits, and 7620, Extraordinary Income Charges.

### § 32.7640 Provision for deferred income tax effect of extraordinary items—net.

This account shall be charged or credited, as appropriate, with a contra amount recorded to Account 4350, Net Noncurrent Deferred Nonoperating Income Taxes or Account 4110, Net Current Deferred Nonoperating Income Taxes for the income tax effects (Federal, state and local) of items included in Accounts 7610, Extraordinary Income Credits, and 7620, Extraordinary Income Charges, that have been deferred in accordance with § 32.22 of Subpart B.

### § 32.7899 Content of accounts.

Jurisdictional differences and non-regulated income amounts shall be included in Accounts 7910 and 7990.

### § 32.7910 Income effect of jurisdictional ratemaking differences—net.

This account shall include the impact on revenues and expenses of the

## Federal Communications Commission

## § 32.9000

jurisdictional ratemaking practices which vary from those of this Commission. All entries recorded in this account shall be recorded net of the applicable income tax effects and shall be supported by appropriate subsidiary records, where necessary, as provided for in § 32.13(e) of subpart B.

### § 32.7990 Nonregulated net income.

(a) This account shall be used by those companies who offer nonregulated activities that do not involve the joint or common use of assets or resources used in the provision of both regulated and nonregulated products and services, and which have not established a separate subsidiary for that purpose.

(b) All revenue and expenses (including taxes) incurred in these nonregulated activities shall be recorded on separate books of account for such operations. Only the net of the total revenues and total expenses shall be recorded in this account, with a contra debit or credit to account 1406.3.

[52 FR 6562, Mar. 4, 1987]

## Subpart G—Glossary

### § 32.9000 Glossary of terms.

When used in this system of accounts:

*Accelerated depreciation* means a depreciation method or period of time, including the treatment given cost of removal and gross salvage, used in calculating depreciation deductions on income tax returns which is different from the depreciation method or period of time prescribed by this Commission for use in calculating depreciation expense recorded in a company's books of account.

*Account* means a specific element of a chart of accounts used to record, classify and accumulate similar financial transactions resulting from the operations of the entity. "Accounts" or "these accounts" refer to the accounts of this system of accounts.

*Accounting system* means the total set of interrelated principles, rules, requirements, definitions, accounts, records, procedures and mechanisms necessary to operate and evaluate the entity from a financial perspective. An

accounting system generally consists of a chart of accounts, various parallel subsystems and subsidiary records. An accounting system is utilized to provide the necessary financial information to users to meet judiciary and other responsibilities.

*Affiliated companies* means companies that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the accounting company. See also Control.

*Amortization* means the systematic recoveries, through ratable charges to expense, of the cost of assets.

*Associated equipment* means that equipment which functions with a specific type of plant or with two (2) or more types of plant, e.g., switching equipment, network power equipment, circuit equipment, common channel network signaling equipment or network operations equipment. Associated equipment shall be classified to the account appropriate for the type of equipment with which it is predominately used rather than on its own characteristics.

Illustrative examples of associated equipment are:

- Alarm and signal apparatus
- Auxiliary framing
- Cable and cable racks
- Distributing frames and equipment thereon
- Frame and aisle lighting equipment (not permanently attached to the building)
- Relay racks and panels

*Basic service area* means the minimum specified calling area for which a tariff is prescribed.

*Book cost* means the amount at which property is recorded in these accounts, without deduction of related allowances.

*Common carrier* or *carrier* means any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or in interstate or foreign radio transmission of energy, except where reference is made to common carriers not subject to this Act; but a person engaged in radio broadcasting shall not, insofar as such person is so engaged, be deemed a common carrier.

*Company* or *the company*, when not otherwise indicated in the context,